



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

David T. Terry
Director

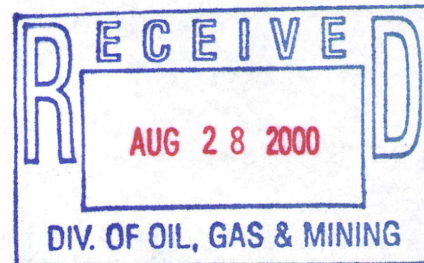
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<http://www.trustlands.com>

August 25, 2000

CERTIFIED MAIL NO. P 973115004

Organite, Inc.
423 Weiss Road
Shelocta, PA 15774

ATTN: John Price, President
RE: ML 40880-Clay; DOGM # S/023/009



Dear Mr. Price,

Article XII of the terms and conditions of the above numbered mineral lease provides that Lessee shall maintain clear, accurate and detailed maps of all actual and planned operations of a scale of not more than 50 feet to the inch, with points coordinated with public land surveys. All maps must be prepared under the direction of a licensed surveyor or engineer qualified to practice in Utah. The Lessor shall be entitled to receive a true and correct copy of such maps.

Lessor hereby requests that Lessee immediately submit a map of current and currently planned mining of the lands under ML 43106-BSLS. Such map must be prepared in accordance with the requirements of Article XII of the lease. This lease shall be subject to forfeiture if Lessee fails to submit the requested current mine map within the next thirty days.

Several weeks ago you visited with me in my office and indicated that Organite, Inc. would be submitting an application to the Division of Oil, Gas & Mining (DOGM) for a Large Mine Permit covering the lands within mineral lease ML 40880. No such application has been filled, to date. It is imperative that Organite, Inc. immediately make its actual large-mine intentions known to the Trust Lands Administration and to the Division of Oil, Gas & Mining. There are competing applications to mine volcanic and metalliferous substances from the same lands as are covered by mineral lease ML 40880-Clay. The Trust Lands Administration does not wish to approve competing applications which may conflict with the actual and planned mining operations of Organite, Inc., but we need to know exactly what your mining plans are for the property. I am hopeful that the above requested mine map may help clarify this matter. Please ensure that the map details the areas of the lease currently mined and the areas actually planned for mining in the future. Please contact me if you have any questions in this matter.

Sincerely,

John T. Blake
Mineral Resources Specialist

cc: Lynn Kunzler

S/023/009

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